

FILED

IN THE UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF INDIANA
FORT WAYNE DIVISION

2010 MAR 18 PM 2:36

STEPHEN J. LUDWIG, CLERK
U.S. DISTRICT COURT
FOR THE NORTHERN DISTRICT
OF INDIANA

VALBRUNA STAINLESS, INC.)

Plaintiff,)

v.)

ADT SECURITY SERVICES, INC. and)
ADT HOLDINGS, INC.,)

Defendant.)

Case No. 1:10CV077 WCh

COMPLAINT AND JURY DEMAND

Plaintiff, Valbruna Stainless, Inc. ("Valbruna"), for its Complaint against Defendant ADT Security Services, Inc. ("ADT") and ADT Holdings, Inc. (ADT Holdings"), alleges and says:

JURISDICTION AND PARTIES

1. Valbruna is a Delaware corporate citizen with its principal place of business at 2400 Taylor Street, Fort Wayne, Indiana. Valbruna is licensed by the Indiana Secretary of State to conduct business in Indiana and by the Texas Secretary of State to conduct business at 4747 Oates Road, Houston, Texas 7703.

2. ADT is a Delaware corporate citizen with its principal place of business at 1 Town Center Road, Boca Raton, Florida 33486. ADT is licensed by the Indiana Secretary of State to conduct business and does conduct business in Indiana and the Texas Secretary of State to conduct business at 2625 Louisiana Street, Houston, Texas 7706.

3. ADT Holdings is a Delaware corporate citizen with its principal place of business at 1 Town Center Road, Boca Raton, Florida 33486.

4. Jurisdiction of this Court is proper under 28 U.S.C. § 1331 because this action arises under the laws of the United States.

5. Venue is proper in this District under 28 U.S.C. § 1391(b)(3) and 28 U.S.C. § 1391(c) because the Defendant is subject to personal jurisdiction, resides and is found in this District.

FACTS COMMON TO ALL CLAIMS

6. ADT is in the business of providing professional security service systems, including the hardware, software and monitoring equipment.

7. On or about August 14, 2006, Valbruna paid ADT \$13,807.29 for the purchase and installation of an ADT security service system ("System") at its Oates Road site ("Premises") (Exhibit "A", hereinafter, "Contract").

8. Before Valbruna purchased the System from ADT, Valbruna informed ADT of its physical security needs for the Premises and particular purpose in purchasing the System. Specifically, that Valbruna wanted the entire Premises to be protected from theft and/or vandalism, including Valbruna's warehouse and its storage yard at the Premises because its insurance policy would only cover the Premises and Valbruna's product inventory against theft if the Premises were properly protected by a functioning alarm and security monitoring system.

9. Before ADT sold the System to Valbruna, ADT assured, represented and warranted to Valbruna that the quality, capability and performance of the System that ADT designed would protect the entire Premises from theft and/or vandalism. In fact, ADT represented that the System it sold to Valbruna was fit for Valbruna's particular purpose. ADT also represented that the products and services as then sold were merchantable, that is, that they would perform as advertised and promised. Valbruna relied upon ADT's advertised experience,

training, and purported competence when purchasing the System from ADT.

10. On or before November 9, 2009, approximately \$62,000 worth of Valbruna Steel products was stolen from Valbruna's storage yard at the Premises. Evidence of the theft is found in the Houston Police Department Offense Report (Exhibit "B") under Incident No. 167397019W, and evidence of the value of the stolen product is attached to that report (Exhibit "C"). This was one of the specified areas which were to be protected and monitored by ADT's System. The police detected no signs of tampering with the System's control box.

11. After the product was stolen from the Premises, Valbruna's site manager contacted ADT, which sent a technician/investigator to inspect the ADT System at the Premises. The ADT technician went through every piece of ADT equipment at the Premises and ultimately found that electronic resistors or "overrides" had been placed in the photoelectric sensor system control box for the storage yard of the Premises so that the ADT System would not and could not detect an intruder when the photoelectric beam was disturbed (*see* photographs at Exhibits "D" through "E"). This allowed thieves undetected access to Valbruna's property, product inventory and goods. There were no signs of tampering with the control box, and only ADT had a key to the photoelectric sensor system control box. The ADT technician admitted that ADT or its agents emplaced the resistors in the photoelectric sensor system control box.

12. ADT invoiced and charged Valbruna, by wire and/or mail, across state lines for the System and monthly monitoring fees -- that is, for security equipment and surveillance coverage -- and Valbruna paid for the System and monthly monitoring fees by wire and/or mail across state lines.

13. The bypassing of the System was purposely done by ADT and the bypassing compromised the System during installation, subsequent maintenance, and monitoring. The

resistors were not detected from August 2006 until December 2009 when Valbruna discovered theft of its product/inventory. ADT's emplacement of the bypasses and/or failure to detect the corruption in the System at the Premises constitutes either intentional criminal complicity or gross negligence.

14. After the theft, ADT installed \$6,336.25 of system "upgrades" at the Premises so as to provide proper coverage for the storage yard area.

15. Between August 2006 and December 2009, Valbruna paid \$12,234.40 for monthly security monitoring services by ADT at the Premises (Exhibit "F").

16. From December 2009 to February 2010, during the period when the System was being upgraded at the site, Valbruna paid \$10,816.51 to hire physical security guards to safeguard its product/inventory and the Premises (Exhibit "G").

17. Because Valbruna's insurance policy would only cover the Premises and its product against theft if the Premises were properly protected by a functioning alarm and security monitoring system, Valbruna had and has no feasible recourse from its insurance carrier for the losses caused by ADT.

18. As a direct result of ADT's purposeful acts and/or gross negligence, Valbruna has been damaged in an amount to be determined at trial, but in no case is that amount less than \$124,719.80, including: \$61,862.00 of stolen product inventory, \$13,807.29 for the purchase of the System, \$12,234.40 for a monthly monitoring fee from installation in August 2006 through December 2009, \$10,816.51 for the costs of physical security guards at the Premises, and costs, expenses and attorney's fees.

19. Valbruna relied upon ADT's assurances, representations, warranties and advertisements about the quality, performance and capability of the products and the System that

it sold to Valbruna. Valbruna's reasonable reliance on these representations produced the expectation that the products and the System would perform as promised, bargained for and paid for. ADT's false assurances and representations as to its products and services and its System's capability misled and deceived Valbruna.

COUNT I
RACKETEERING INFLUENCED CORRUPT ORGANIZATION VIOLATIONS

20. Valbruna hereby re-alleges and incorporates paragraphs 1 through 19 of this Complaint as though fully set forth herein.

Relevant Statutes

21. At all times relevant to this Complaint, there was in full force and effect in the United States of America, a certain statute, namely the Racketeer Influenced Corrupt Organizations Act ("RICO"), 18 U.S. Code § 1961, *et seq.*

22. At all times relevant to this Complaint there was in full force and effect in the United States certain statutes commonly referred to as the Mail and Wire Fraud Statutes, 18 U.S. Code §§ 1341, 1343, and 1346.

The Racketeering Enterprise

23. The racketeering enterprise includes ADT Holdings, Inc. and the legal entity ADT Security Services, Inc., its operating company, and offices throughout the United States (hereinafter, collectively "Enterprise" or "RICO Defendants"), and the association-in-fact of its various members, shareholders, and employees.

24. The Enterprise existed and exists to use monies gained through racketeering activities to further profit and maximize the income of the RICO Defendants and of the various and controlling members of the RICO Defendants.

25. The Enterprise affected and affects interstate commerce as follows:

- a. By conducting its affairs across state lines;
- b. The Enterprise, in the regular course of business, utilized and utilizes the mails of the U.S. Postal Service to transmit information between its agents and communicate with Valbruna and ADT's other customers / victims; and
- c. The Enterprise utilized and utilizes the means of interstate telephone calls across state lines in the regular course of business to communicate among its agents and various prospective victims.

Racketeering Activity

26. ADT, violated 18 U.S. Code § 1962(c) by conducting its affairs through a pattern of racketeering activity as defined in 18 U.S. Code § 1961(1)(B), consisting of acts of mail and wire fraud in violation of 18 U.S. Code §§ 1341, 1343, and 1346, and in violation of Texas law. Specifically, ADT devised a scheme or artifice to defraud Valbruna and other customers, that is, to obtain victims' money by false or fraudulent pretenses, representations, and/or promises, and placed in the United States Post Office mail and knowingly caused to be delivered by U.S. mail to the victims, false documentation and written representations regarding invoices for security services for Valbruna's Premises and other customers' properties to further such fraud upon these victims.

27. The pattern of racketeering activity is further defined and described below.

The Pattern of Racketeering Activity

28. The Enterprise engaged in a scheme or artifice to defraud its victims by using mail fraud and wire fraud to profit from the victims of their scheme. The Enterprise continues to profit from the scheme to defraud by using customers'/victims' funds to further profit from their attempts to induce additional victims to submit to the RICO Defendants' scheme. ADT's pattern

of racketeering activity is continuing and related to past schemes relating to invoicing and charging by mail and wire, its customers/victims across state lines for security services -- that is, for security equipment and surveillance coverage -- which was not provided to the customers/victims, and emplaced resistors or "overrides" in the photoelectric sensor system control boxes that allowed thieves undetected access to the customers'/victims' property, inventory and goods and to commit larceny. The Enterprise will continue in the future to acquire and/or attempt to acquire illegal gains in violation of 18 U.S. Code § 1962(c).

29. This pattern of racketeering activity has existed since at least on or before October 31, 2000. *See SAIA Food Distrib. & Club, Inc., v. SecurityLink from Ameritech, Inc., and ADT Sec. Serv., Inc.*, 902 So. 2d 46 (Ala. 2004). Other customers/victims of ADT's racketeering activity include, *Sekil v. ADT Sec. Serv., Inc.*, 2008 W.L. 4844209 (S.D. Tex. Nov. 3, 2008); *Jewelers Mut. Ins. Co. v. ADT Sec. Serv., Inc.*, 2009 W.L. 2031782 (M.D. Cal. July 9, 2009); *Sabir v. ADT Sec. Serv., Inc.*, 2008 W.L. 1924984 (M.D. Ala. April 30, 2008); *Prender Gast v. ADT Sec. Serv., Inc.*, 2008 W.L. 5423129 (W.D. NY Dec. 24, 2008); *Systems v. ADT Sec. Serv., Inc.*, 2008 W.L. 682232 (D.N.J. March 7, 2008); and *Synnex Corp. v. ADT Sec. Serv., Inc.*, 394 N.J. Super. 577, 928 A.2d 37 (N.J. Super. Ct. App. Div. 2007).

Defendants' Conduct and Participation in Racketeering Enterprise

30. The RICO Defendants operated, conducted and participated in the operation of the Enterprise.

31. The predicate acts of racketeering activity described above are all related in that the RICO Defendants, acting through the Enterprise, have conducted these criminal acts of fraud to obtain monies and profits for the Enterprise which it would not have acquired by lawful means.

32. The predicate acts are continuous and will continue in the future.

33. The individual RICO Defendants comprising the Enterprise employ the predicate acts of racketeering activity as a regular method of conducting business, using fraud whenever the opportunity presents itself on whomever it encounters.

34. As shown, the RICO Defendants have a history of using the proceeds of current operations and existing assets to finance the expansion of the Enterprise.

35. Each RICO Defendant was a necessary and integral part of the scheme to defraud Valbruna and each played a role in the operation and control of the scheme defrauding its customers/victims.

36. As a direct result of ADT's purposeful acts, Valbruna has been damaged in an amount to be determined at trial but in no case is that amount less than \$124,719.80, including: \$61,862.00 of stolen product inventory, \$13,807.29 for the purchase of the System, \$12,234.40 for a monthly monitoring fee from installation in August 2006 through December 2009, \$10,816.51 for costs of physical security guards at the Premises, and costs, expenses and attorney's fees.

WHEREFORE, Valbruna, by counsel, prays this Court enter a judgment against the RICO Defendants, jointly and severally, in an amount which will compensate Valbruna for its damages, treble damages pursuant to 18 U.S. Code § 1964(c), for the costs of this action, for prejudgment and post-judgment interest, for reasonably attorney's fees pursuant to 18 U.S. Code § 1964(c), and for all other just and proper relief in the Premises under Fed. R. Civ. P. 54(c).

COUNT II
BREACH OF EXPRESS CONTRACT

37. Valbruna hereby re-alleges and incorporates paragraphs 1 through 36 of this Complaint as though fully set forth herein.

38. ADT's actions, as described in the preceding paragraphs of this Complaint, constitute breach of the express System Contract and the expressed and written purpose of the Contract.

39. As a direct result of ADT's breach, Valbruna has been damaged in an amount to be determined at trial but in no case is that amount less than \$124,719.80, including: \$61,862.00 of stolen product inventory, \$13,807.29 for the purchase of the System, \$12,234.40 for a monthly monitoring fee from installation in August 2006 through December 2009, \$10,816.51 for costs of physical security guards at the Premises, and costs, expenses and attorney's fees.

WHEREFORE, Valbruna, by counsel, prays this Court enter judgment against the Defendant in an amount which will compensate Valbruna for its damages, for the costs of this action, for prejudgment and post-judgment interest, for reasonable attorney's fees and for all other just and proper relief in the Premises under Fed. R. Civ. P. 54(c).

**COUNT III
BREACH OF IMPLIED CONTRACT**

40. Valbruna hereby re-alleges and incorporates paragraphs 1 through 39 of this Complaint as though fully set forth herein

41. ADT's actions, as described in the preceding paragraphs of this Complaint, constitute breach of the implied System Contract and the intended purpose of the Contract.

42. As a direct result of ADT's breach, Valbruna has been damaged in an amount to be determined at trial but in no case is that amount less than \$124,719.80, including: \$61,862.00 of stolen product inventory, \$13,807.29 for the purchase of the System, \$12,234.40 for a monthly monitoring fee from installation in August 2006 through December 2009, \$10,816.51 for costs of physical security guards at the Premises, and costs, expenses and attorney's fees.

WHEREFORE, Valbruna, by counsel, prays this Court enter judgment against the

and costs, expenses and attorney's fees. As a direct result of ADT's purposeful and malicious acts or gross negligence, Valbruna is also entitled to exemplary/punitive damages.

WHEREFORE, Valbruna, by counsel, prays this Court enter judgment against the Defendant in an amount which will compensate Valbruna for its damages, for the costs of this action, for prejudgment and post-judgment interest, for exemplary/punitive damages, for reasonable attorney's fees and for all other just and proper relief in the Premises under Fed. R. Civ. P. 54(c).

COUNT V FRAUD

47. Valbruna hereby re-alleges and incorporates paragraphs 1 through 46 of this Complaint as though fully set forth herein.

48. Under Texas law, fraud occurs where a defendant makes a material misrepresentation that is false, defendant knows the representation is false when made or makes it recklessly as a positive assertion without any knowledge of its truth, defendant intends to induce plaintiff to act upon the representation, and plaintiff actually and justifiably relies upon the representation, and thereby, suffers injury.

49. As described in the preceding paragraphs of this Complaint, ADT's actions constitute fraud under Texas law. Before Valbruna purchased the System from ADT, Valbruna informed ADT of its security services system needs and particular purpose.

50. ADT assured, represented and warranted to Valbruna that the quality, capability and performance of the System that ADT designed would protect and/or deter the entire Premises from theft and/or vandalism. Valbruna relied upon ADT's advertised experience, training, and purported competence when purchasing the System from ADT.

51. ADT provided inaccurate and misleading representations to Valbruna with either knowledge that the representations were false or made them with reckless disregard or ignorance of the falsity of the statements, and with the intent to deceive Valbruna, in order to obtain from Valbruna money for the purchase of the System and money from Valbruna's monthly payment for monitoring fees.

52. But for the presentation of false and fraudulent information, Valbruna would not have purchased the System and paid the monthly monitoring fees to ADT.

53. Valbruna reasonably relied upon the representations of ADT.

54. Valbruna's reliance proximately caused its injuries.

55. ADT's actions constitute fraud in that its material misrepresentations of fact were false; made with knowledge of the falsity or in reckless ignorance of the falsity; relied upon by Valbruna; and were the proximate cause of Valbruna's damages.

56. As a direct result of ADT's fraudulent actions, Valbruna has been damaged in an amount to be determined at trial but in no case is that amount less than \$124,719.80, including: \$61,862.00 of stolen product inventory, \$13,807.29 for the purchase of the System, \$12,234.40 for a monthly monitoring fee from installation in August 2006 through December 2009, \$10,816.51 for costs of physical security guards at the Premises, and costs, expenses and attorney's fees. As a direct result of ADT's fraud, Valbruna is also entitled to exemplary/punitive damages.

WHEREFORE, Valbruna, by counsel, prays this Court enter judgment against the Defendant in an amount which will compensate Valbruna for its damages, for the costs of this action, for prejudgment and post-judgment interest, for exemplary/punitive damages, for reasonable attorney's fees and for all other just and proper relief in the Premises under Fed. R.

Civ. P. 54(c).

**COUNT VI
CONSTRUCTIVE FRAUD**

57. Valbruna hereby re-alleges and incorporates paragraphs 1 through 56 of this Complaint as though fully set forth herein.

58. Under Texas law, constructive fraud is the breach of some legal or equitable duty which, irrespective of moral guilt, the law declares fraudulent because of its tendency to deceive others, to violate confidence, or to injure public interests.

59. As described in the preceding paragraphs of this Complaint, ADT's actions constitute constructive fraud under Texas law. Prior to purchasing the System, Valbruna described its security service needs to ADT. ADT owed Valbruna a duty to honestly assess Valbruna's security services needs and to sell to Valbruna a security services system that prevented and/or detected theft and/or vandalism at the Premises. ADT violated that duty to Valbruna by selling Valbruna the System which did not prevent and/or detect theft and/or vandalism at the Premises and by making the deceptive material misrepresentations described above in the preceding paragraphs of this Complaint.

60. Valbruna reasonably relied on ADT's deceptive assurances, representations, warranties, and advertisements about the System for the Premises.

61. After the System was installed at the Premises on or about August 2006, ADT remained silent when ADT had a duty to speak to or inform Valbruna that ADT had emplaced resistors in and by-passed the photoelectric sensor system control box for the storage yard of the Premises so that the System would not and could not detect an intruder when the photoelectric beam was disturbed. The bypassing of the System was purposely done by ADT and the bypassing compromised the System during installation, subsequent maintenance, and

monitoring. The resistors were not detected from August 2006 through December 2009 when Valbruna discovered the theft of its product/inventory.

62. Valbruna purchased the System and monthly monitoring services in reliance upon ADT's deceptive representations with the expectation that the System would prevent and/or detect theft and/or vandalism on the Premises. The prevention and/or detection of theft and/or vandalism were both material conditions and terms of and the motivation for Valbruna to purchase the System and monthly monitoring services for the Premises from ADT. Because ADT knew or should have known that the System would not prevent and/or detect theft and/or vandalism at the Premises, ADT constructively defrauded Valbruna.

63. As a result of ADT's professional status as a security services system specialist, and as an expert in its field, ADT had an advantage over Valbruna. Valbruna reasonably relied upon ADT's purported expertise. ADT falsely obtained the purchase price for the System and monthly monitoring fees from Valbruna at Valbruna's expense.

64. As a direct result of ADT's fraudulent actions, Valbruna has been damaged in an amount to be determined at trial but in no case is that amount less than \$124,719.80, including: \$61,862.00 of stolen product inventory, \$13,807.29 for the purchase of the System, \$12,234.40 for a monthly monitoring fee from installation in August 2006 through December 2009, \$10,816.51 for costs of physical security guards at the Premises, and costs, expenses and attorney's fees.

WHEREFORE, Valbruna, by counsel, prays this Court enter judgment against the Defendant in an amount which will compensate Valbruna for its damages, for the costs of this action, for prejudgment and post-judgment interest, for reasonable attorney's fees and for all other just and proper relief in the Premises under Fed. R. Civ. P. 54(c).

**COUNT VII
UNJUST ENRICHMENT**

65. Valbruna hereby re-alleges and incorporates paragraphs 1 through 64 of this Complaint as though fully set forth herein.

66. As described in the preceding paragraphs of this Complaint, ADT has unfairly profited from the receipt of money from Valbruna for the purchase of the System and the monthly monitoring fees Valbruna paid to ADT during the period of August 2006 to December 2009.

67. As a direct result of ADT's actions, Valbruna has been damaged in an amount to be determined at trial but in no case is that amount less than \$124,719.80, including: \$61,862.00 of stolen product inventory, \$13,807.29 for the purchase of the System, \$12,234.40 for a monthly monitoring fee from installation in August 2006 through December 2009, \$10,816.51 for costs of physical security guards at the Premises, and costs, expenses and attorney's fees.

WHEREFORE, Valbruna, by counsel, prays this Court enter judgment against the Defendant in an amount which will compensate Valbruna for its damages, for the cost of this action, for prejudgment and post-judgment interest, for reasonable attorney's fees and for all other just and proper relief in the Premises under Fed. R. Civ. P. 54(c).

**COUNT VIII
BREACH OF EXPRESS WARRANTIES**

68. Valbruna hereby re-alleges and incorporates paragraphs 1 through 67 of this Complaint as though fully set forth herein.

69. Under Texas law, an express warranty for services exists where defendant sold services to plaintiff, defendant made a representation, the representation became a part of the bargain, and defendant breached the warranty.

70. As described in the preceding paragraphs of this Complaint, ADT sold security services to Valbruna. ADT made representations that were guarantees of the quality of the System. These express warranties became part of the basis of the bargain for the purchase and sale of the System.

71. ADT breached the express warranties made to Valbruna, and Valbruna has been damaged by ADT's breach of these express warranties.

72. As a direct result of ADT's breach of the express warranties, Valbruna has been damaged in an amount to be determined at trial but in no case is that amount less than \$124,719.80, including: \$61,862.00 of stolen product inventory, \$13,807.29 for the purchase of the System, \$12,234.40 for a monthly monitoring fee from installation in August 2006 through December 2009, \$10,816.51 for costs of physical security guards at the Premises, and costs, expenses and attorney's fees.

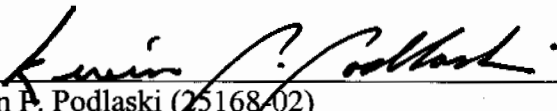
WHEREFORE, Valbruna, by counsel, prays this Court enter judgment against the Defendant in an amount which will compensate Valbruna for its damages, for the costs of this action, for prejudgment and post-judgment interest, for reasonable attorney's fees and for all other just and proper relief in the Premises under Fed. R. Civ. P. 54(c).

JURY DEMAND

Valbruna, by counsel, pursuant to Federal Rules of Civil Procedure 38(B), hereby demands a trial by jury on all issues so triable.

Respectfully submitted,

CARSON BOXBERGER LLP

By 
Kevin P. Podlaski (25168-02)
J. Blake Hike (28601-02)
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hike@carsonboxberger.com

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Service Address:4747 Oates Rd
Houston, TX 77013-3343**Statement****Date:****09/11/06****Total****Due:****\$13,807.29**

Page 2 of 2

Accounts Receivable Statement

Customer Number: 01300103509708

Statement Date: 09/11/06

Invoice Number	Description	Amount
07/20/06		
07/27/06		
08/03/06		
08/10/06		
08/17/06		
08/24/06		
09/07/06		
Total Balance Due		\$13,807.29

Invoice	07/20/06	07/27/06	08/03/06	08/10/06	08/17/06	08/24/06	09/07/06
Amount	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$13,807.29

To ensure proper payment application, please remit payment with original invoice payment coupons. If original invoices are not available, please indicate the invoices you are paying by checking the box(s) above and sending this entire statement with your payment.

Customer Number: 01300103509708
Statement Date: 09/11/06

Please Pay
This Amount

\$13,807.29

Amount
Enclosed: \$

▽ MAIL PAYMENT TO: ▽

#BWNKFYG
#807905301003101#
VALBRUNA STAINLESS INC
2400 TAYLOR ST W
FORT WAYNE, IN 46801

ADT SECURITY SERVICES INC.
P.O. BOX 371956
PITTSBURGH, PA 15250-7956



001035097080003531717901001060013807290013807299

EXHIBIT

tabbies

A

TEXAS DPS PRIVATE SECURITY BUREAU
P. O. BOX 4087
AUSTIN, TEXAS 78723
312-424-7718
LICENCE 98-00336

COMMERCIAL SALES
PROPOSAL/AGREEMENT

TOWN NO. CUSTOMER NO. JOB NO.

Date 08/13/06



ADT Security Services, Inc. ("ADT")

Address: 2625 LOUISIANA
HOUSTON, TEXAS 77006
Lic. No. B-536

To: (Customer Name and Address)

VALB_BF.WS

VALBRUNA STAINLESS, INC.
4747 OATES ROAD
HOUSTON, TEXAS 77013

Tel. No. 713/525-6428 ELLEN KNIGHT

Alt: DAVID NELSON

Tel. No. 713/676-1700

ADT proposes to install or cause to be installed the equipment and furnish the services indicated herein:

QTY.	DESCRIPTION	LOCATION (BE SPECIFIC)
1	FOCUS 200 PLUS CONTROL PANEL	
1	24 HOUR BACKUP BATTERY PACK	
3	FOCUS 200 INTERACTIVE KEYPADS	
5	EIGHT ZONE HARD WIRE EXPANDERS	
5	POWER SUPPLIES	
15	GLASS BREAK DETECTORS	
1	MAGNA PULL HEAVY DUTY GATE PLUG	
2	CONNECTIONS TO WATERFLOW SENSORS	
2	CONNECTION TO TAMPER SWITCHES	
2	WATERFLOW RETARD PIDS	
2	STANDALONE SIM MODULES	
2	MANUAL FIRE ALARM PULL STATIONS	
1	PHOTOELECTRIC SMOKE DETECTOR	
1	TELGUARD UL DIGITAL CELLULAR BACKUP DIALER	
1	CONDUIT FOR GATE CONTACT	
CONNECT AS FOLLOWS:		
OFFICE SYSTEM: FOCUS 200F KEYPAD, SOUNDER, DOOR CONTACTS, MOTION SENSORS AND NEW GLASS BREAK DETECTORS.		
WAREHOUSE SYSTEM: FOCUS 200F KEYPAD, SOUNDER, DOOR CONTACTS OVERHEAD DOOR CONTACTS AND MOTION SENSORS.		
YARD SYSTEM: SIREN, P. E. BEAMS, NEW MAGNA PULL GATE CONTACT		
CABLE, CONDUIT AND LABOR TO INSTALL.		

THIS SYSTEM IS DESIGNED TO MEET NEPA, STATE AND LOCAL CODES. SHOULD THE AUTHORITY HAVING JURISDICTION REQUIRE MORE EQUIPMENT THAN IS LISTED ABOVE, ADT WILL INSTALL SAID EQUIPMENT AT ADDITIONAL COST TO THE CUSTOMER.

SALES TAX NOT INCLUDED.

Customer acknowledges that: (a) ADT has explained the full range of protection, equipment, and services available to Customer; (b) additional protection over and above that provided herein is available and may be obtained from ADT at an additional cost to the Customer; and (c) Customer desires and has contracted for only the equipment and services itemized on this Agreement.

For the sum of \$ 11,473.00 payable upon acceptance of this proposal and the balance payable upon completion of the installation and as a pre-condition to activation of the system and, if applicable, connection to central station or direct connection service. In addition for the service(s) to be provided as indicated above, Customer agrees to pay \$ 2,922.00

per annum, annually in advance for a period of five years effective from the date service is operative under this agreement. After the five years, this agreement shall be automatically renewable yearly unless terminated by either party upon written notice at least 90 days prior to the anniversary date.

ADT shall have the right to increase the annual service charge after 1 year. In the event of termination prior to the end of the contract term, the Customer agrees to pay, in addition to any charges for services rendered prior to termination, 90% of the service charge remaining to be paid for the unexpired term of the agreement as liquidated damages (but not as a penalty).

The Customer agrees to pay, in addition to the service charges above, any false alarm assessments, fines, fees or charges that are imposed by any governmental body, telephone or signal transmission company (for numbering or other charges) or costs of ADT related to reprogramming alarm controls and other devices to comply with such numbering or other charges relating to the installation or service provided under this Agreement and to pay any increase in charges to ADT for facilities required for transmission of signals under this Agreement.

In the event ADT's representative is sent to the Customer's premises in response to a service call or alarm signal caused by the Customer improperly following operating instructions or failing to close or properly secure a window, door or other protected point, or improperly adjusting monitors or accessory components, there shall be a service charge to the Customer.

Failure to pay amounts when due shall give ADT, in addition to any other remedies, the right to terminate this Agreement and to charge interest at the highest legal rate on the delinquent amounts. Customer agrees to pay all costs, expenses and fees of ADT's enforcement of this Agreement, including collection expenses, court costs, and attorney's fees. Any installation charge quoted in this agreement is based on ADT performing the installation with its own personnel. If for any reason this installation must be performed by outside contractors, said installation charge shall be subject to revision.

Customer warrants that the Customer: (1) has requested the equipment/services specified in this Agreement for its own use and not for the benefit of any third party; (2) owns the premises in which the equipment is being installed or that Customer has the authority to engage ADT to carry out the installation in the premises; and (3) will comply with all laws, codes, and regulations pertaining to the use of the equipment/services.

By Ellen Knight ELLEN KNIGHT

Approved

Authorized Representative of ADT

Type of Transaction

☒ Direct Sale (equipment to become property of the Customer upon payment of Selling Price indicated below in full).

☐ System to remain property of ADT.

ADT may remove or upon written notice to the Customer, abandon in whole or in part, all devices, instruments, appliances, cabinets, and other materials associated with the system, upon termination of this agreement, without obligation to repair or re-decorate any portion of the Customer's premises upon such removal, and the removal or abandonment of such materials shall not be held to constitute a waiver of the right of ADT to collect any charges which have been accrued or may be accrued hereunder.

Services To Be Provided P - Provided NP - Not Provided (Circle One)

Control Station Signal ☒ P NP

Repeating and Notification Service ☒ P NP

Fire Alarm ☒ P NP

Burglar Alarm ☒ P NP

Supervisory ☒ P NP

Other ☒ P NP

Direct Connection Service ☒ P NP

To ☒ P NP

Using ☒ P NP

Digital Communicator ☒ P NP

Leased Line ☒ P NP

Derived Local Channel ☒ P NP

Telephone Charges Not Included ☒ P NP

In ADT Billing ☒ P NP

Maintenance ☒ P NP

Inspections ☒ P NP

Number per Year ☒ P NP

Investigator Response ☒ P NP

Interior ☒ P NP

Exterior ☒ P NP

Supervised/Scheduled ☒ P NP

Opening/Closing ☒ P NP

Opening/Closing Logging ☒ P NP

Opening/Closing Reports ☒ P NP

Other ☒ P NP

If the Termination Period is accepted, Customer, please initial here. ☐

If Maintenance Service is desired, Customer, please initial here. ☐

Customer Acceptance

In accepting this Proposal, Customer agrees to the terms and conditions contained herein including those on the reverse side. It is understood that they shall prevail over any variation in terms and conditions on any purchase order or other document that the Customer may issue. Any changes in the system requested by the Customer after the execution of this Agreement shall be paid for by the Customer and such changes shall be authorized in writing.

ATTENTION IS DIRECTED TO THE WARRANTY, LIMIT OF LIABILITY AND OTHER CONDITIONS ON REVERSE SIDE.

[Signature]

Signature

Regional Manager 8-14-06

Title Date

This Agreement is not binding unless approved in writing by an authorized Representative of ADT. In the event of failure of such approval, the only liability of ADT shall be to return to the Customer the amount, if any, paid to ADT upon signing of this Agreement.



ADT
Security
Systems

TEXAS ADT SECURITY BUREAU
P. O. BOX 4087
AUSTIN, TEXAS 78723
512-424-7710
LICENCE #B-00536

RIDER
For Additional Service

THIS RIDER made this 30th day of AUGUST, 2006, is part
and is to be attached to Agreement made the 14th day of AUGUST, 2006, by and between
ADT Security Systems, _____, Inc.
hereinafter called "ADT", and VALBRUNA STAINLESS, INC.
hereinafter called the "Customer", for ADDITIONAL
service in the premises of the Customer at 4747 OATES ROAD
the City of HOUSTON, State of TEXAS 77013

The Customer hereby requests, and ADT agrees, to install the following additional protection:
ADT TO FOCUS SYSTEM AS FOLLOWS:

(FOUR) OVERHEAD DOOR CONTACTS

ABLE AND LABOR TO INSTALL.

ESCALATION FOR FIVE YEARS

LESS TAX NOT INCLUDED.

The Customer hereby agrees to pay ADT, its Agents or Assigns, the sum of _____
ONE THOUSAND TWO HUNDRED EIGHTY TWO DOLLARS (\$ 1,282.00)
payable upon signing of this Agreement and the balance payable upon completion of the installation, and to pay in addition the additional sum
-0- (\$ -0-)
annum payable in advance.

The parties hereto mutually agree that the aforesaid Agreement, of which this Rider is made a part, is and shall be and remain in full
force and effect in accordance with all of the terms and conditions thereof, modified only as in this Rider specifically provided.

It is further agreed to that the original expiration date of the referenced Agreement shall be extended for a period of _____
years.

This Rider is not binding unless approved in writing by an authorized representative of the Company described above as ADT.

ADT SECURITY SYSTEMS, INC. _____
ADT
ELLEN KNIGHT
Agent

VALBRUNA STAINLESS, INC.
Customer
By _____

PROVED _____
Authorized Representative of ADT

Title



ADT BOX 4087
AUSTIN, TEXAS 78723
512-424-7710
LICENCE #B-00536

RIDER
For Additional Service

THIS RIDER made this 30th day of AUGUST, 2006, is part of and is to be attached to Agreement made the 14th day of AUGUST, 2006, by and between ADT Security Systems, Inc. hereinafter called "ADT", and VALERINA STAINLESS, INC. hereinafter called the "Customer", for ADDITIONAL service in the premises of the Customer at 4147 OATES ROAD in the City of HOUSTON, State of TEXAS 77013.

The Customer hereby requests, and ADT agrees, to install the following additional protection:
DD TO FOCUS SYSTEM AS FOLLOWS:

(FOUR) OVERHEAD DOOR CONTACTS

ABLE AND LABOR TO INSTALL.

O ESCALATION FOR FIVE YEARS

TAX NOT INCLUDED.

The Customer hereby agrees to pay ADT, its Agents or Assigns, the sum of ONE THOUSAND TWO HUNDRED EIGHTY TWO DOLLARS (\$ 1,282.00)

payable upon signing of this Agreement and the balance payable upon completion of the installation, and to pay in addition the additional sum of -0- (\$ -0-)

or amount payable in advance.

The parties hereto mutually agree that the aforesaid Agreement, of which this Rider is made a part, is and shall be and remain in full force and effect in accordance with all of the terms and conditions thereof, modified only as in this Rider specifically provided.

It is further agreed to that the original expiration date of the referenced Agreement shall be extended for a period of years.

This document is signed in writing by an authorized representative of the Company described above as ADT.

ADT SECURITY SYSTEMS, INC.

ADT

ELLEN KNIGHT

Agent

APPROVED

Authorized Representative of ADT

VALERINA STAINLESS, INC.

Customer

By

Region Manager

Title

0-01 (9/97)

PUBLIC RELEASE INFORMATION

HOUSTON POLICE DEPARTMENT

FRONT PAGE

OFFENSE REPORT

Incident no. 167397109 W

Offense- THEFT/LOSS \$200.00 OR MORE - F

Location- YARD OF COMPANY

Weather- CLEAR

Location: Street no- 004747 Name- OATES

Type- RD Suffix- Apt no-

City-HOUSTON County-HARRIS

Kmap-456S Dist- 9 Beat- 9030

Neighborhood code-00101 Desc-ELDORADO

Begin date- MO 11/09/09 Time- 0800 End date- TU 11/10/09 Time- 0800

Officer/Employee: Name-LAPTOP

No.-

Date-11/16/09 Time-1840

COMPLAINANT(S)

01 Name: Last-NELSON First-DAVID Middle-

Race-W Sex-M Age-49 Hispanic-N

Address-4747 OATES RD;HOUSTON,TX 77013

Phone: Home-(713) 676-1700 Business-(713) 676-1007 Ext-

ARTICLES

01 Disposition-STOLEN Property tag no-0-0000-00 Complainant no-01

Item type-STAINLESS STEEL 316 UCR class-11

Brand-NO BRAND/UNKNOWN Model-

Serial number- Value-\$ 61862.00

Description-21,508 POUNDS OF STAINLESS STEEL 316 BARS APPROX. 11 TO 13 LONG.
SIZES VARIED FROM HEXAGON, SQUARE, AND ANGEL. 1/4 TO AN INCH THICK.

DETAILS OF OFFENSE

01 STATED THAT RAW STEEL WERE STOLEN.

Officer: Name-P BROUSSARD

Employee no-

Shift-2

Division/Station #-ECD

Unit #-TELLS

Received: Date-11/16/09 Time-1341 Report accepted: Date-11/16/09 Time-1843

END OF PAGE ONE

EXHIBIT

B

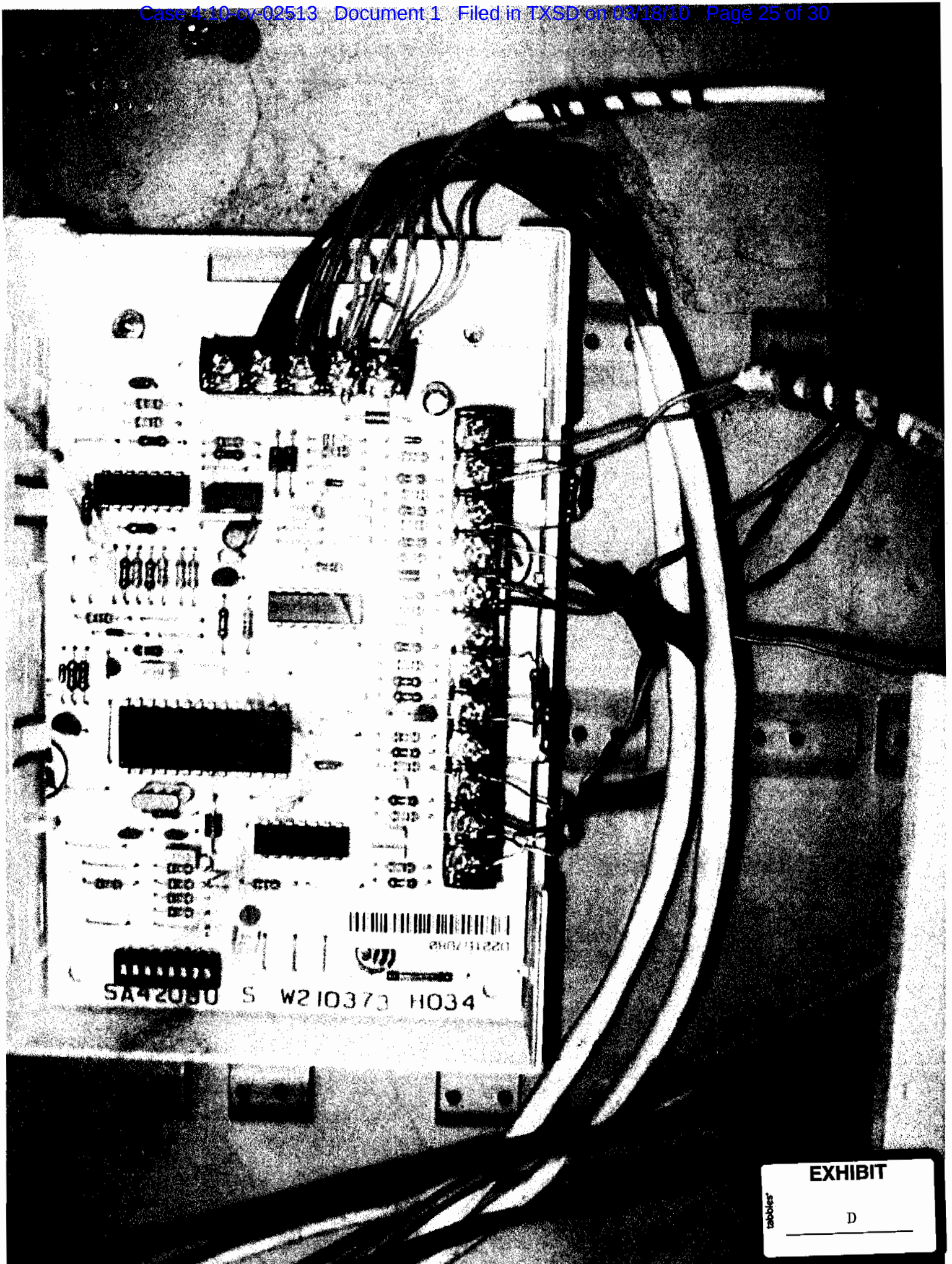
Stolen material from Valbruna Stainless
Incident # 167397109W

Size	Shape	Grade	Length	Weight (lbs)	Heat #	Value	Color code
3/8"	Square	316	11'-13'	2679	423594	\$6,803	Yellow
5/8"	Hex	316	11'-13'	728	420579	\$2,608	Yellow
11/16"	Hex	316	11'-13'	1661	421061	\$7,258	Yellow
3/16"	Square	316	11'-13'	1159	416167	\$4,595	Yellow
1/4"	Square	316	11'-13'	746	420980	\$2,846	Yellow
9/16"	Hex	316	11'-13'	1442	419997	\$5,801	Yellow
1"	Hex	316	11'-13'	2271	245485	\$6,178	Yellow
7/8"	Round	304	11'-13'	1866	420654	\$2,097	Blue
1 x 1 x 3/16	Angle	316	20'-22'	2040	234138	\$4,797	Yellow
1-1/8"	Hex	316	11'-13'	2680	246603	\$7,316	Yellow
1-1/8"	Hex	316	11'-13'	2490	246603	\$6,797	Yellow
1-1/8"	Hex	316	11'-13'	1746	246603	\$4,766	Yellow
			Totals	21508		\$61,862	

EXHIBIT

C

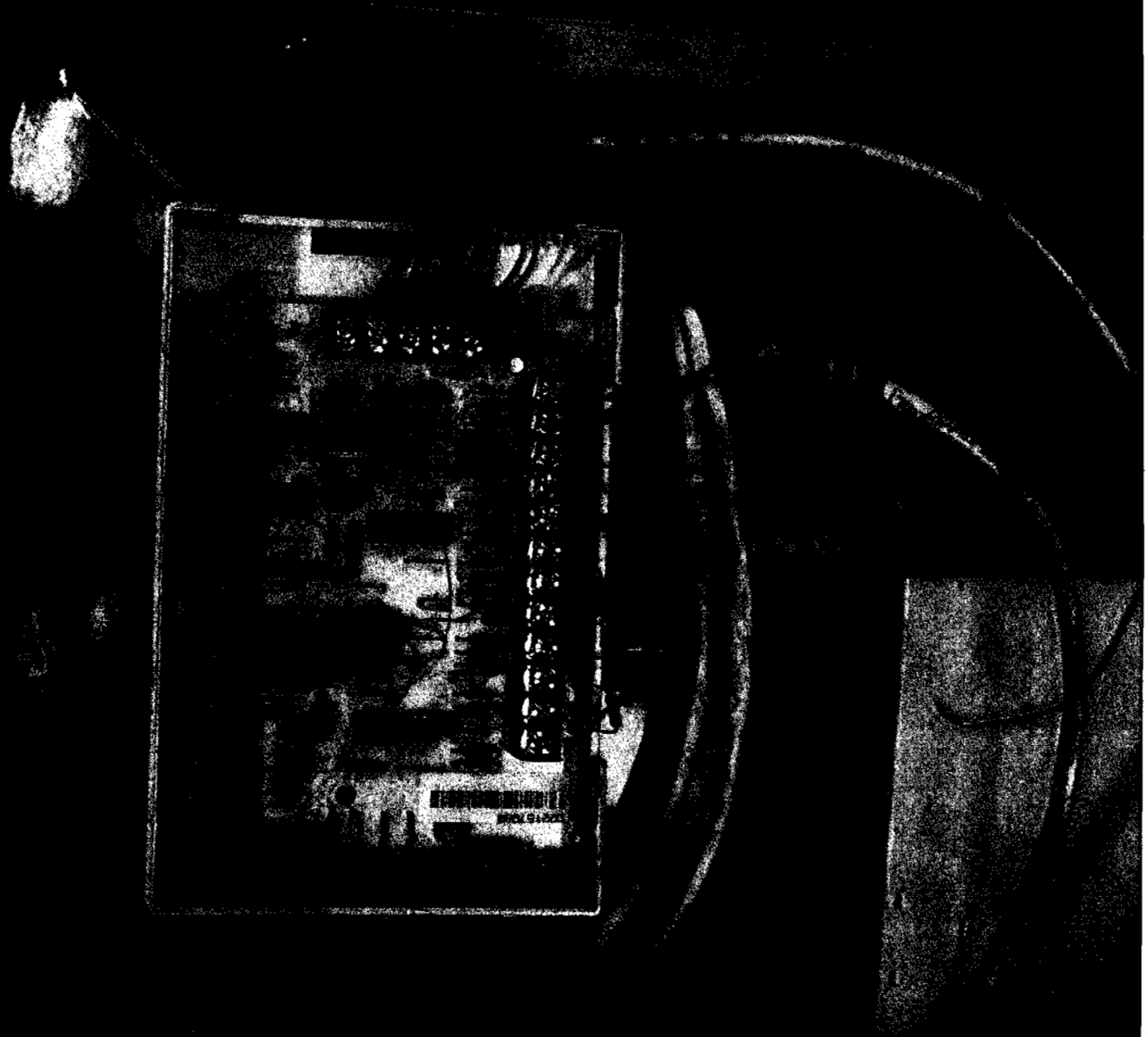
tabbies



EXHIBIT

D

tabbles



EXHIBIT

E

P00006-0054985

Purchase Order Number

12/05/09

05393132

\$790.77

01/01/10



Nature of Service: Quarterly Billing

Current Charges:

Invoice Number: 05393132

Invoice Amount: \$790.77

Total Balance Due: \$790.77

Due Date: 01/01/10

Payment Method: Credit Card

Card Number: 0000 0000 0000 0000

Cardholder Name: VAL BRUNA

Cardholder Address: 4747 Oates Rd

Cardholder City: Houston, TX

Cardholder State: TX

Cardholder Zip: 77013-3343

Cardholder Phone: (800) 238-7887

TEST YOUR ALARM SYSTEM MONTHLY TO CONFIRM YOUR SYSTEM IS OPERATIONAL

Customer Number: 01300 103509708

Business/Account Name: VAL BRUNA

Service Address: 4747 Oates Rd

Houston, TX 77013-3343

Billing Questions: (888) 238-2455

Sales/Relocation: (800) 238-7887

Monitoring/Service: (800) 238-2727

ADT Tax ID Number: 58-1814102

How to Read Your Bill:

<http://www.adt.com/billinfo>

It's fast and even more important - it's easy! You can save time and money paying your bill. Please see the back of your invoice to see how you can setup your account for automatic payments using your bank account!

Visit www.ADT.com for up-to-date security services information for your business.

To pay this invoice and/or future recurring invoices by credit card, follow the instructions on the back of this invoice.

EXHIBIT

F

abbies

12/08/2008 18:20 FAX 7138758922

HOUSTONHARRISDIVISIONPAT

002/002

HOUSTON HARRIS DIVISION PATROL INC

6420 RICHMOND AVE SUITE 520
HOUSTON, TX 77057

Invoice

Date	Invoice #
12/8/2009	30581

Bill To
Valbruna Stainless 4747 Outers Rd Houston, Texas 77013

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
29	Commission Guard From 12/08/09 To 12/09/09	18.50 8.25%	536.50T 44.26
<div data-bbox="464 1050 893 1224" data-label="Text"> <p>VENDOR# 12/8/09 DATE RECEIVED GL# 95105001 EMAILED/APPROVED TRANSACTION# DATE POSTED BY</p> </div> <div data-bbox="597 1224 868 1470" data-label="Text"> <p>OKD-M 12-8-09</p> </div>			
Please remit to above address.			Total \$580.76

EXHIBIT

G

HOUSTON HARRIS DIVISION PATROL INC

6420 RICHMOND AVE SUITE 520
HOUSTON, TX 77057**Invoice**

Date	Invoice #
12/29/2009	30939

Bill To
Valbruna Stainless 4747 Oates Rd Houston, Texas 77013

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
266.5	Commission Guard From 12/10/09 To 12/26/09	18.50	4,930.25
24	Commission Guard Holiday 12/25/09	9.25	222.00
		8.25%	425.06
Please remit to above address.		Total	\$5,577.31

ohr DC

HOUSTON HARRIS DIVISION PATROL INC
6420 RICHMOND AVE SUITE 520
HOUSTON, TX 77057

Invoice

Date	Invoice #
1/12/2010	31142

Bill To
Valbruna Stainless 4747 Oates Rd Houston, Texas 77013

P.O. No.	Terms	Project
	Due on receipt	

Quantity	Description	Rate	Amount
225.5	Commission Guard From 12/27/09 To 01/09/10	18.50	4,171.75T
14.25	Commission Guard Holiday 01/01/10	9.25	131.81T
		8.25%	355.04
Please remit to above address.		Total	\$4,658.60